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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91200444
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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed at Palo Alto, California on November 21, 2011.

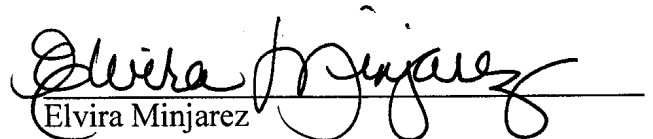

Elvira Minjarez

EXHIBIT A

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

OFFICEWARE CORPORATION, d/b/a
FILESANYWHERE.COM,

Plaintiff,

v.

DROPBOX, INC.,

Defendant.

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CIVIL ACTION NO. 3:11-cv-01448-L

DEFENDANT DROPBOX, INC.'S MOTION TO STAY AND BRIEF IN SUPPORT

Dated: November 21, 2011

Respectfully submitted,

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MOTION TO STAY AND BRIEF IN SUPPORT

Defendant Dropbox, Inc. (“Dropbox”) moves to stay all proceedings in this case pending the resolution of certain trademark opposition proceedings, including the opposition filed by Plaintiff Officeware Corporation d/b/a Filesanywhere.com (“Officeware”) that is currently pending before the Trademark Trial and Appeal Board of the United States Patent and Trademark Office (the “TTAB”). The actions before the TTAB involve the same issues presented to this Court — namely, whether Dropbox, Officeware or someone else possesses rights in the trademark DROPBOX (the “Mark”). As explained below, determining the rights to the Mark is not a simple two-party affair, but involves adjudicating the claims of four different parties. By bringing this action in this forum, Officeware seeks inefficiently to adjudicate only a fraction of the issues related to the Mark — issues the TTAB will resolve if left to its work. Accordingly, Dropbox respectfully requests that the Court stay this action pending resolution by the TTAB, which presents a speedy, efficient and appropriate forum for key issues in this complex dispute.

INTRODUCTION

For many years companies off- and on-line have used the term “dropbox” to describe secure receptacles for storing documents and other materials. Over the last several years, Dropbox has risen to prominence as a leading provider of services for storing, accessing and sharing materials online, and has popularized the term “Dropbox” as a successful international brand. As a result, Dropbox has developed protectable rights in the Mark and has applied to register it as a trademark.

After Dropbox applied to register the Mark, Officeware and two other companies — YouSendIt, Inc. (“YouSendIt”) and Box.net, Inc. (“Box”) — initiated separate proceedings before the TTAB opposing registration of the Mark. These oppositions are misguided: the opposers have not used the term “dropbox” as a trademark and have not acquired secondary meaning in the Mark (*i.e.*, the public does not interpret the term “dropbox” as identifying the source of their

goods and services). In addition to filing an opposition in the TTAB, Officeware also subsequently filed this action.

Officeware, YouSendIt and Box each assert their own priority of rights in the Mark, allege likelihood of consumer confusion about the Mark, and assert that Dropbox's trademark application should be denied. Thus, there are a total of four claimants to the Mark, asserting mutually exclusive claims, litigating in two different forums. To properly evaluate these four competing claims to the Mark, a tribunal must consider conflicting, mutually exclusive claims of priority, analyze all parties' alleged uses of the Mark, evaluate the Mark's distinctiveness, determine which party first achieved secondary meaning, and then weigh any likelihood of confusion. The parties' claims are necessarily at odds with each other. The TTAB, an expert tribunal before which each party has already sought redress, is well suited to adjudicate these competing and conflicting claims in the first instance.

Officeware, however, asks this Court to disregard the multi-party nature of this dispute and move forward with only one piece of this dispute. Though Dropbox is prepared to defend itself in this action, it requests that the Court stay this action pending resolution of the trademark oppositions before the TTAB. A stay would permit the Court to take advantage of the TTAB's trademark expertise and benefit from a more robust evidentiary record containing information from the other claimants, YouSendIt and Box, thereby saving valuable judicial resources. A stay would also yield a single, consistent result in the TTAB that addresses all four claims to the Mark, thereby avoiding the risk of conflicting rulings in a multiplicity of proceedings regarding the parties' respective rights.

Once the trademark opposition proceedings before the TTAB are resolved, Officeware, Dropbox and this Court will be far better informed and positioned to resolve any remaining claims and defenses in this lawsuit.

FACTUAL AND PROCEDURAL BACKGROUND

I. FACTUAL BACKGROUND.

A. The TTAB is Especially Well Suited to Resolve this Dispute.

Created in 1958, the TTAB is an administrative tribunal operated by the United States Patent and Trademark Office (“USPTO”). It is responsible for adjudicating trademark disputes, including oppositions to the registration of trademarks and petitions to cancel trademark registrations. *See generally* 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* (“*McCarthy*”) § 20:99 *et seq.* (4th ed. 2000) (describing TTAB history and procedure). Proceedings before the TTAB are generally governed by the Federal Rules of Civil Procedure and allow for discovery. *See* 37 C.F.R. § 2.116(a) (FRCP applicable in the TTAB); 37 C.F.R. § 2.120(a)(1) (“Wherever appropriate, the provisions of the Federal Rules of Civil Procedure relating to disclosure and discovery shall apply in opposition, cancellation, interference and concurrent use registration proceedings . . .”). In particular, the TTAB requires that parties make initial disclosures and allows parties to propound document requests, interrogatories, and requests for admission, take depositions, and pursue motions to compel. *See generally* 37 C.F.R. § 2.120. Additionally, the TTAB has a procedure for managing multiparty proceedings (*see* TTAB Manual of Procedure §511, explicitly adopting Fed. R. Civ. P. 42(a)). TTAB proceedings culminate in a trial. *See generally* 37 C.F.R. § 2.116.

“Like regulatory agencies or other executive tribunals in their subject areas, the Trademark Trial and Appeal Board has acquired a high level of expertise in evaluating the [likelihood of confusion] factors and counter-weighting these factors to reach its ultimate conclusion — the likelihood *vel non* of confusion between competing marks.” *Champagne Louis Roederer, S.A. v. Delicato Vineyards*, 148 F.3d 1373, 1376 (Fed. Cir. 1998). It is for this reason that “[i]n patent and trademark cases a finding of fact by the Patent Office as to priority of invention or confusing similarity of marks must be accepted as controlling, unless the contrary is established by evidence which, in character and amount carries thorough conviction.” *Aloe Creme Labs., Inc. v. Texas Pharmacal Co.*, 335 F.2d 72, 74 (5th Cir. 1964) (internal quotations

omitted); *accord Am. Heritage Life Ins. Co. v. Heritage Life Ins. Co.*, 494 F.2d 3, 10 (5th Cir. 1974); *compare with On-Line Careline, Inc. v. Am. Online, Inc.*, 229 F.3d 1080, 1085 (Fed. Cir. 2000) (“[T]he TTAB’s factual findings will be upheld unless they are unsupported by substantial evidence.”) (internal quotations omitted).

In light of the deference ordinarily given to a TTAB decision and the fact that priority, secondary meaning and likelihood of confusion are dispositive issues in trademark litigation, “staying [an] action to await a decision from the TTAB would promote judicial efficiency by either narrowing the issues for trial or making [a] case ripe for summary judgment.” *Microchip Tech., Inc. v. Motorola, Inc.*, No. 01-cv-264-JJF, 2002 WL 32332753, at *4 (D. Del. May 28, 2002). This is all the more so where, as here, four different entities are claiming exclusive rights to the same trademark and all four entities are currently parties to proceedings before the TTAB, but only two are parties to this action.

B. The Four Parties Necessary to Conclusively Resolve This Dispute are Before the TTAB.

Launched in 2007, Dropbox provides a popular service that allows people to store their personal computer files, access them from any computer, and share them easily with others. As of October 18, 2011, Dropbox had more than 45 million users in 175 countries around the world, who save one billion files to the service every three days. *See* Appx. 96-97, Slafsky Decl. Ex. A-7 (October 18, 2011 Dropbox press release).

Officeware offers remote computer file storage services and online file transfer software through its <filesanywhere.com> website. Officeware alleges that it began using the DROPBOX and FILE DROPBOX marks at least as early as 2004, and that it began using the DROPBOX LINKS mark and its logo at least as early as 2006. *See* Complaint ¶11. It was not until April 12, 2010, long after Dropbox had established its successful international brand and filed a federal trademark application for the Mark, that Officeware filed its own federal trademark application for the Mark. *See generally* Appx. 11-13, Slafsky Decl. Ex. A-2, ¶¶1-6 (Officeware Notice of Opposition). Importantly, however, Officeware has not used the word “dropbox” as a brand

name, but rather to describe the function of its goods and services. Nevertheless, Officeware contends that it holds trademark rights in the word “dropbox” and that Dropbox’s use of the Mark “is likely to cause confusion, or mistake, or deceive as to the affiliation, connection, or association between the parties or as to the origin, sponsorship, or approval of the parties’ services.” Complaint ¶17.

YouSendIt offers Internet-based “services with an integrated approach for sending, sharing, and signing documents on-line.” Appx. 23, Slafsky Decl. Ex. A-4, ¶1 (YouSendIt Notice of Opposition). YouSendIt alleges that it has prior rights in the Mark. Appx. 24, Slafsky Decl. Ex. A-4, ¶6. Like Officeware, however, YouSendIt has not used the word “dropbox” as a brand name, but rather to describe the function of its goods and services. Nevertheless, YouSendIt contends that it holds trademark rights in the word “dropbox” and that Dropbox’s use of the Mark “is likely to cause confusion, to cause mistake or to deceive, with resulting injury to” YouSendIt. Appx. 25, Slafsky Decl. Ex. A-4, ¶11.

Box, through its <box.net> website, offers an Internet-based “content management solution that enables [computer] users to remotely . . . store, access, and share [computer files] online.” Appx. 40, Slafsky Decl. Ex. A-6, ¶5 (Box Notice of Opposition). Box alleges that it acquired trademark rights in the Mark as early as 2005 through use of various marks with “the root term [b]ox.” Appx. 43, Slafsky Decl. Ex. A-6, ¶19; *see also* Appx. 42-43, Slafsky Decl. Ex. A-6, ¶¶11-18. Box has not used the word “dropbox” in connection with its goods and services. Nevertheless, Box contends that it holds trademark rights in the word “dropbox” and that Dropbox’s use of the Mark is “likely to cause confusion, to cause mistake, and to deceive the public with consequent injury to” Box. Appx. 44, Slafsky Decl. Ex. A-6, ¶22.

C. Fifth Circuit Trademark Law on Descriptiveness and Secondary Meaning.

Trademarks “are often classified in categories of generally increasing distinctiveness . . . they may be (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful . . . [and] [t]he latter three categories of marks, because their intrinsic nature serves to identify a particular source of a product, are deemed inherently distinctive and are entitled to [trademark] protection”

without any special showing by the trademark owner. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992). “Marks which are merely descriptive of a product are not inherently distinctive. When used to describe a product, they do not inherently identify a particular source, and hence cannot be protected. However, descriptive marks may acquire the distinctiveness which will allow them to be protected under the [Lanham] Act.” *Id.* at 769. “Section 2 of the Lanham Act provides that a descriptive mark that otherwise could not be registered under the Act may be registered if it has become distinctive of the applicant’s goods in commerce. This acquired distinctiveness is generally called ‘secondary meaning.’” *Id.* (quotations and citations omitted). “Secondary meaning occurs when, in the minds of the public, the primary significance of a mark is to identify the source of the product rather than the product itself.” *Bd. of Supervisors for La. State Univ. Agric. & Mech. College v. Smack Apparel Co.*, 550 F.3d 465, 476 (5th Cir. 2008) (quotations and citations omitted).¹

Dropbox intends to show that, as a result of its prominent and longstanding promotion of a DROPBOX brand, it alone has developed trademark rights in the Mark via secondary meaning. Today, the primary significance of the Mark in the marketplace is to identify Dropbox as the source of its goods and services. *See* Appx. 3, Slafsky Decl. ¶12; Appx. 113-116, Slafsky Decl. Ex. A-12 (<google.com> search for the word “dropbox” yielding millions of results, a majority of which, including the first two full pages of results, are, on information and belief, for articles and Internet citations referring specifically to Dropbox).

¹ The Fifth Circuit has adopted a multi-factored test for determining secondary meaning. The Fifth Circuit’s secondary meaning factors include “(1) length and manner of use of the mark or trade dress, (2) volume of sales, (3) amount and manner of advertising, (4) nature of use of the mark or trade dress in newspapers and magazines, (5) consumer-survey evidence, (6) direct consumer testimony, and (7) the defendant’s intent.” *Bd. of Supervisors*, 550 F.3d at 476. Once a claimant proves ownership of a protectable trademark, including by demonstrating secondary meaning in a descriptive mark, “he must next show that the defendant’s use of the mark creates a likelihood of confusion in the minds of potential customers as to the source, affiliation, or sponsorship of the product at issue.” *Id.* at 478.

II. PROCEDURAL BACKGROUND.

On September 9, 2009, Dropbox filed federal trademark application serial number 77817716 for DROPBOX (the “Application”) and, on March 1, 2011, the USPTO published the Application for opposition. On June 29, 2011, Officeware and Box initiated opposition proceedings before the TTAB, and YouSendIt followed suit on August 26, 2011.

Officeware filed the Complaint in this action on June 30, 2011, but made no immediate effort to serve Dropbox with process. Indeed, Officeware took no affirmative steps to serve Dropbox with process until counsel for Dropbox contacted counsel for Officeware and arranged to waive service of process under Fed. R. Civ. P. 4(d). *See* Appx. 4, Slafsky Decl. ¶16; Appx. 147, Slafsky Decl. Ex. A-16. The waiver was entered on September 20, 2011, almost three months after Officeware filed the Complaint. Officeware has not moved for a temporary restraining order or a preliminary injunction, and has made no effort to expedite the disposition of this action.

On September 23, 2011, Officeware moved the TTAB to stay its earlier-filed trademark opposition in favor of this action. *See* Appx. 126-140, Slafsky Decl. Ex. A-14 (Officeware’s request for suspension). There has been no ruling on that motion. Accordingly, Officeware’s trademark opposition proceeding has moved forward, discovery has opened and the parties have exchanged initial disclosures. For its part, Dropbox moved the TTAB to consolidate each of the three opposition proceedings related to the Mark – a motion neither Officeware, YouSendIt, nor Box opposed. Its submission to the TTAB highlighted the overlapping nature of the proceedings and the substantially identical legal and factual issues raised by each opposer. *See* Appx. 118-124, Slafsky Decl. Exs. A-13 (Dropbox’s motion to consolidate); Appx. 142-145, Slafsky Decl. Ex. A-15 (Dropbox’s response to Officeware’s request for suspension). Dropbox’s motion to consolidate is currently under submission.

ARGUMENT AND AUTHORITIES

III. THE DOCTRINE OF PRIMARY JURISDICTION STRONGLY FAVORS STAYING THIS ACTION.

“The power to stay proceedings is incidental to the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants.” *Wolf Designs, Inc. v. Donald McEvoy Ltd., Inc.* 355 F. Supp. 2d 848, 853 (N.D. Tex. 2005) (quotation and citation omitted). When evaluating whether to exercise that inherent power in order to stay an action in favor of an administrative body with concurrent jurisdiction over the same matter, courts typically turn to the doctrine of primary jurisdiction. “The doctrine operates, when applicable, to postpone judicial consideration of a case to administrative determination of important questions involved by an agency with special competence in the area. It does not defeat the court’s jurisdiction over the case, but coordinates the work of the court and the agency by permitting the agency to rule first and giving the court the benefit of the agency’s views.” *Mercury Motor Express, Inc. v. Brinke*, 475 F.2d 1086, 1091-92 (5th Cir. 1973).

Generally, courts have found that “[n]o fixed formula exists for applying the doctrine of primary jurisdiction.” *U.S. v. W. Pac. R.R. Co.*, 352 U.S. 59, 64 (1956). Nevertheless, the Fifth Circuit has fashioned a test for determining when to defer primary jurisdiction to an administrative body. The “doctrine applies where: (1) the court has original jurisdiction over the claim before it; (2) the adjudication of that claim requires the resolution of predicate issues or the making of preliminary findings; and (3) the legislature has established a regulatory scheme whereby it has committed the resolution of those issues or the making of those findings to an administrative body.” *Northwinds Abatement, Inc. v. Employers Ins. of Wausau*, 69 F.3d 1304, 1311 (5th Cir. 1995). Here, each of those elements is satisfied. Accordingly, the Court should invoke the doctrine of primary jurisdiction and stay this action pending resolution of the oppositions before the TTAB.

A. The Court Has Original Jurisdiction over Officeware's Claims.

It is undisputed that the Court has original jurisdiction over Officeware's claims.² See Complaint ¶3 and Answer ¶3. Therefore, this element is satisfied.

B. The Adjudication of Officeware's Claims Requires the Resolution of Predicate Issues, Including Priority, Secondary Meaning and Likelihood of Confusion.

Resolving Officeware's claims in this action requires the Court to resolve the priority of rights in the Mark, analyze which party first established secondary meaning in the Mark, and evaluate any likelihood of confusion that might exist. These are the very same issues that Officeware's opposition in the TTAB raises and they each require simultaneous evaluation of the claims asserted by non-parties YouSendIt and Box.³ The four conflicting claims of priority at issue before the TTAB provide context for one another and should be evaluated simultaneously in order to reach a single, consistent result. Furthermore, the fact that multiple parties have laid claim to the Mark is powerful evidence that the Mark is not inherently distinctive in the computer file storage context, but rather is descriptive and thus only protectable based on a showing of secondary meaning, which Dropbox alone will be able to demonstrate.⁴ Under these

² We note, however, that though district courts may order the USPTO to cancel an existing trademark registration, other district courts have ruled that their involvement is premature until an application matures into a registration. See Section IV, *infra*. As such, one of Officeware's requested remedies, an order directing the USPTO to reject the Application, is properly directed to the TTAB. See Complaint Section X, ¶e. As discussed in Section IV, *infra*, this is further evidence that this dispute is centered on activity at the USPTO rather than actual conflict in the marketplace.

³ The fact that proceedings are already pending before the TTAB is itself a factor militating in favor of staying this case pursuant to the doctrine of primary jurisdiction. See *Gulf States Utilities Co. v. Alabama Power Co.*, 824 F.2d 1465, 1473 (5th Cir. 1987).

⁴ It goes without saying that the term "dropbox" was not invented by Dropbox or any of the parties to the TTAB proceedings. A dropbox is "a secure receptacle into which items such as returned books or videotapes, payments, keys, or donated clothing can be deposited." *The New Oxford American Dictionary* 517 (McKean ed., 2005) (1998); see also Appx. 99, Slafsky Decl. Ex. A-8 (Wikipedia defines dropbox as "a secure container in a building's wall where items can be deposited"). Numerous companies have for years used the word "dropbox" to (continued...)

circumstances, the necessary priority and likelihood of confusion analysis will require not only an evaluation of each party's claimed date of first use, but also the determination of whether and when each claimant developed sufficient distinctiveness in the minds of consumers to acquire trademark rights in the Mark. That can best and perhaps only take place in a proceeding where all claimants are present and wherein their competing claims to the Mark can be simultaneously resolved.

The TTAB, which is already considering proceedings initiated by Officeware, YouSendIt and Box, is uniquely positioned to simultaneously adjudicate the four competing claims to the Mark and avoid the risk of conflicting rulings. Uniformity is a key goal of the doctrine of primary jurisdiction. *See Penny v. Southwestern Bell Tel. Co.*, 906 F.2d 183, 187 (5th Cir. 1990) ("Of perhaps even greater importance [than the agency's expertise] is the fact that the [agency] can provide more uniformity in the adjudication of [the issues] than can the number of different courts in which the claims may be brought. Under the doctrine of primary jurisdiction, a trial court can reach out and touch that expertise and uniformity and then use the [agency]'s determination as a basis for" its ruling); *see also Wagner & Brown v. ANR Pipeline Co.*, 837 F.2d 199, 201 (5th Cir. 1988) ("Application of the doctrine is especially appropriate where

(...continued from previous page)

refer to a secure receptacle for computer files and to describe the functionality of Internet-based computer file storage. *See, e.g.*, Appx. 101, Slafsky Decl. Ex. A-9 (<etonica.com> offers a product called the Tango dropbox that "allows the user to upload files and folders without launching an FTP application [by] [s]imply drag[ging] and drop[ping] files on to the Tango [d]rop[b]oxes you create on the desktop"); Appx. 103-107, Slafsky Decl. Ex. A-10 (<soundcloud.com> operates a sound sharing service with a feature called the SoundCloud dropbox that "allows anyone to send a sound to [a] SoundCloud account at any time"); and Appx. 109-111, Slafsky Decl. Ex. A-11 (<dropshots.com> operates a photo and video sharing service and invites users to "[d]rag files from anywhere on your computer into the [d]rop[b]ox. Uploads large photos and videos 100x faster!"). Accordingly, a company wishing to acquire trademark protection in the term "dropbox" will need to demonstrate secondary meaning, i.e., that the public identifies the term as the *source* of goods and services.

uniformity of certain types of administrative decisions is desirable, or where there is a need for the expert and specialized knowledge of the agencies.”) (internal quotations omitted). In this case, the most efficient and perhaps only way to achieve that uniformity and avoid the risk of inconsistent results is to allow the preexisting multi-party TTAB proceedings to move forward while this case is stayed.

C. Congress Has Committed the Resolution of Key Trademark Issues to the TTAB’s Expertise.

The TTAB’s special expertise would materially aid the court in resolving Officeware’s claims. The TTAB’s expertise in matters of trademark law, including the predicate issues of priority and secondary meaning, is widely recognized and deferred to by federal courts. *See* Section I(A), *supra*. “[T]he expert and specialized knowledge of the agencies involved has been particularly stressed” in analyzing whether the doctrine of primary jurisdiction applies. *W. Pac. R.R.*, 352 U.S. at 64. Indeed, courts frequently stay district court actions pending the disposition of parallel TTAB proceedings to gain the benefit of the TTAB’s expert guidance. *See Citicasters Co. v. Country Club Commc’ns*, No. 97-cv-0678-RJK, 1997 WL 715034, at *2 (C.D. Cal. July 21, 1997) (“In granting the motion to stay, the court is confident that the TTAB will exercise its specialized knowledge in effecting a determination that will prove valuable to this court.”); *Nat’l Mktg. Consultants, Inc. v. Blue Cross & Blue Shield Ass’n.*, No. 87-cv-7161, 1987 WL 20138, at *2 (N.D. Ill. Nov. 19, 1987) (“Although the issue of likelihood of confusion between the two marks is not the sole issue presented before this court, the TTAB’s determination will be a material aid in ultimately deciding the remaining issues in this case. It is sufficient that an administrative agency’s decision will ultimately be a material aid in resolving the pending litigation to invoke the doctrine of primary jurisdiction.”).⁵ “Where, as here, another

⁵ *See also Sun Drop Sales Corp. v. Seminole Flavor Co.*, 159 F. Supp. 828, 829 (E.D. Tenn. 1958) (granting a stay and finding that “[t]he Commissioner of Patents and his assistants are, being experts in this field, far better equipped to [determine whether plaintiff or defendant owns the trademark at issue] . . . than this [c]ourt. The plaintiff here has already initiated actions before the Commissioner and thus has elected to have determinations made before that (continued...)”).

unquestionably qualified tribunal has before it an issue which could result in saving this court hundreds of hours, judicial economy mandates close consideration of a stay.” *High Voltage Beverages, LLC v. Coca-Cola Co.*, No. 08-cv-367, 2009 WL 4823366, at *3 (W.D.N.C. Dec. 9, 2009) (affirming stay pending disposition of TTAB proceeding). Although some courts have declined to stay district court litigation in favor of parallel TTAB proceedings, considerations of judicial economy, as animated by the case law cited above, particularly favor a stay in a complex multi-party proceeding like this case where (1) the TTAB has before it two additional claimants who are not parties to this action and (2) the TTAB’s determinations on priority and secondary meaning will resolve the dispute over which of the four claimants has rights to the Mark.

IV. AT THIS TIME, ONLY THE TTAB CAN ADJUDICATE THE TRADEMARK REGISTRATION ISSUES AT THE CENTER OF THIS DISPUTE.

This action should be stayed for another independent reason—at this time, only the TTAB is able to resolve Officeware’s contentions regarding Dropbox’s federal trademark Application. Although Officeware has requested in its Complaint that the Court issue an order “instructing the United States Patent and Trademark Office to deny registration of” Dropbox’s Application for the Mark (*see* Complaint Section X, ¶e), other district courts that have considered this issue have ruled that such relief is premature until Dropbox’s Application has matured into a registration. *See Hammerhead Entm’t, LLC v. Ennis*, No. 11-cv-65, 2011 WL 2938488, at *11 (E.D. Va. July 19, 2011) (denying Plaintiff’s request for relief after concluding that the court “lacks the statutory authority to cancel a pending application for registration”);

(...continued from previous page)
tribunal.”); *Microchip Tech.*, 2002 WL 32332753, at *3 (granting a stay, in part, because “the issue of genericism is within the special expertise of the TTAB”); *C-Cure Chem. Co. v. Secure Adhesives Corp.* 571 F. Supp. 808, 823 (W.D.N.Y. 1983) (“[T]he specialized knowledge and experience of the [TTAB] . . . [renders it] better equipped than are the courts to make an initial determination as to trademark registration and infringement.”) (quotation omitted); *Driving Force, Inc. v. Manpower, Inc.*, 498 F. Supp. 21, 25 (E.D. Pa. 1980) (“Before this court considers the case, the Patent and Trademark Office, acting through the Trademark Trial and Appeal Board, ought to have the opportunity to apply its expert, specialized knowledge and experience.”).

Universal Tube & Rollform Equip. Corp. v. YouTube, Inc., 504 F. Supp. 2d 260, 266-67 (N.D. Ohio 2007) (dismissing counterclaim seeking cancellation of plaintiff's trademark application); *Whitney Info. Network, Inc. v. Gagnon*, 353 F. Supp. 2d 1208, 1211 (M.D. Fla. 2005) (dismissing counterclaim seeking cancellation of plaintiff's trademark application and holding "that in order to state a claim under these statutory provisions, one of the parties must hold a registered trademark with the USPTO; the existence of a pending application is not sufficient."); *GMA Accessories, Inc. v. Idea Nuova, Inc.*, 157 F. Supp. 2d 234, 241 (S.D.N.Y. 2000) (dismissing defendant's counterclaim, which sought to "cancel" plaintiff's unregistered trademark).

Given the relief that it seeks in its Complaint, it seems that Officeware's displeasure with Dropbox's Application is the primary, if not exclusive, source of disagreement between the parties. Indeed, Officeware did not take issue with Dropbox's use of the Mark for more than three years. Rather, it filed this suit only after the USPTO cited Dropbox's Application as a bar to Officeware's application for the Mark (*see* Appx. 13, Slafsky Decl. Ex. A-2, ¶6) and published Dropbox's Application for opposition. *See* Section II, *supra*. But only the TTAB can directly resolve the dispute over Dropbox's Application. That provides yet another reason for granting a stay. *Cf. Driving Force*, 498 F. Supp. at 25 (granting stay and finding that "[t]he question here is one of the right to trademark registration and use, and thus is precisely the sort of issue with which the Trademark Trial and Appeal Board, unlike a district court, deals on a regular basis"); *Gulf States Utilities*, 824 F.2d at 1473 (noting that "whether the litigation involves conduct requiring continuing supervision by the agency" is a factor that courts should consider when evaluating whether the doctrine of primary jurisdiction applies).

V. STAYING THIS ACTION WOULD NOT PREJUDICE OFFICEWARE.

Any delay caused by staying this action pending disposition of the TTAB opposition proceedings would be minimal and would not prejudice Officeware. *See Driving Force*, 498 F. Supp. at 26 ("[A]ny delay which might result from [a stay pending disposition of TTAB proceedings] would, of course, be regrettable, but it cannot, especially absent a showing of likely detriment, prevent our application of the doctrine of primary jurisdiction."). First, as discussed

above, the TTAB's special expertise would materially aid this Court's resolution of this case by reducing or completely eliminating the need for additional findings of fact and diminishing the complexity of this action. Second, Dropbox would agree to allow discovery, including expert discovery, from the TTAB proceedings to be used in this action. Such an arrangement would prevent needless duplication and would allow the parties to proceed quickly toward summary judgment or trial when this case resumes.

In any event, there is no indication that Officeware imminently needs relief. Officeware initiated this action over three years after Dropbox began using the Mark. During that time, Dropbox rose to global prominence and has become world-famous for its software and services. Officeware must have been intimately familiar with Dropbox's software, services, brand, and use of the Mark long before it filed suit. That Officeware waited to file suit until shortly after Dropbox's Application was published for opposition indicates that Officeware is primarily concerned with Dropbox's Application, not its use of the Mark. Furthermore, Officeware has made no effort to accelerate the disposition of this action and its approach to this lawsuit is entirely inconsistent with any claim of irreparable harm. *See* Section II *supra*.

On the flip side, if the Court denies this request for a stay, Dropbox is likely to be prejudiced. In that scenario, Dropbox would be compelled to defend nearly identical claims in multiple forums, at significant risk of inconsistent rulings.

There is no indication that Officeware would be harmed by first proceeding before the TTAB, there is every indication that Dropbox would be prejudiced without the requested stay, and for the reasons set forth above, the TTAB is the most appropriate venue at this time.

CONCLUSION

For the foregoing reasons, Dropbox respectfully requests the Court stay this action and grant it such other and further relief to which it may be justly entitled.

CERTIFICATE OF CONFERENCE

I hereby certify that, in accordance with Local Rule 7.1, counsel for Defendant conferred, both by email and by phone, with counsel for Plaintiff regarding the relief requested in this Motion. The parties' telephonic conference occurred on November 17, 2011. Plaintiff opposes the relief requested herein.

/s/ Steve Schortgen

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was filed electronically in compliance with Local Rule 5.1(e) on this 21st day of November, 2011. As of this date, all counsel of record have consented to electronic service and are being served with a copy of this document through the Court's CM/ECF system under Local Rule 5.1(d).

/s/ Steve Schortgen